

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND NECESSITY)	
TO APPLY FOR AND OBTAIN A FRANCHISE IN THE)	CASE NO.
TERRITORIAL LIMITS OF LEXINGTON-FAYETTE)	2003-00232
URBAN COUNTY GOVERNMENT OF FAYETTE)	
COUNTY KENTUCKY FOR ELECTRIC UTILITY)	
SERVICE)	

O R D E R

On June 17, 2003, Blue Grass Energy Cooperative Corporation (Blue Grass) filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on an electric franchise offered by the Lexington-Fayette Urban County Government (LFUCG). Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

The Commission determines that there is evidence of a need and demand for electric service in the above-mentioned area. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by said city, or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

1. Blue Grass is granted a Certificate of Convenience and Necessity that authorizes it to bid on an electric franchise offered by the LFUCG.

2. Blue Grass, if it becomes the successful bidder, shall file with this Commission two copies of the franchise agreement.

3. This Order shall not be construed as granting a Certificate of Convenience and Necessity to construct utility facilities.

Done at Frankfort, Kentucky, this 19th day of June, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00232